



General Assembly

January Session, 2007

Amendment

LCO No. 7897

HB0728307897HDO

Offered by:

REP. O'CONNOR, 35th Dist.

SEN. CRISCO, 17th Dist.

REP. HETHERINGTON, 125th Dist.

To: House Bill No. 7283

File No. 93

Cal. No. 140

"AN ACT ESTABLISHING A LONG-TERM CARE INITIATIVE."

1 Strike everything after the enacting clause and insert the following
2 in lieu thereof:

3 "Section 1. Subsections (a) to (c), inclusive, of section 38a-501 of the
4 general statutes are repealed and the following is substituted in lieu
5 thereof (*Effective October 1, 2007*):

6 (a) As used in this section, "long-term care policy" means any
7 individual health insurance policy, delivered or issued for delivery to
8 any resident of this state on or after July 1, 1986, which is designed to
9 provide, within the terms and conditions of the policy, benefits on an
10 expense-incurred, indemnity or prepaid basis for necessary care or
11 treatment of an injury, illness or loss of functional capacity provided
12 by a certified or licensed health care provider in a setting other than an
13 acute care hospital, for at least one year after [a reasonable] an
14 elimination period (1) not to exceed one hundred days of confinement,

15 or (2) of over one hundred days but not to exceed two years of
16 confinement, provided such period is covered by an irrevocable trust
17 in an amount estimated to be sufficient to furnish coverage to the
18 grantor of the trust for the duration of the elimination period. Such
19 trust shall create an unconditional duty to pay the full amount held in
20 trust exclusively to cover the costs of confinement during the
21 elimination period, subject only to taxes and any trustee's charges
22 allowed by law. Payment shall be made directly to the provider. The
23 duty of the trustee may be enforced by the state, the grantor or any
24 person acting on behalf of the grantor. A long-term care policy shall
25 provide benefits for confinement in a nursing home or confinement in
26 the insured's own home or both. Any additional benefits provided
27 shall be related to long-term treatment of an injury, illness or loss of
28 functional capacity. "Long-term care policy" shall not include any such
29 policy which is offered primarily to provide basic Medicare
30 supplement coverage, basic medical-surgical expense coverage,
31 hospital confinement indemnity coverage, major medical expense
32 coverage, disability income protection coverage, accident only
33 coverage, specified accident coverage or limited benefit health
34 coverage.

35 (b) No insurance company, fraternal benefit society, hospital service
36 corporation, medical service corporation or health care center may
37 deliver or issue for delivery any long-term care policy which has a loss
38 ratio of less than sixty per cent for any individual long-term care
39 policy. An issuer shall not use or change premium rates for a long-
40 term care insurance policy unless the rates have been filed with and
41 approved by the Insurance Commissioner. Any rate filings or rate
42 revisions shall demonstrate that anticipated claims in relation to
43 premiums when combined with actual experience to date can be
44 expected to comply with the loss ratio requirement of this section. A
45 rate filing shall include the factors and methodology used to estimate
46 trust values if the policy includes options for the elimination periods
47 specified in subsection (a) of this section.

48 (c) No such company, society, corporation or center may deliver or

49 issue for delivery any long-term care policy without providing, at the
50 time of solicitation or application for purchase or sale of such coverage,
51 full and fair disclosure of the benefits and limitations of the policy. If
52 the offering for any long-term care policy includes options for the
53 elimination periods specified in subdivisions (1) and (2) of subsection
54 (a) of this section, the application form for such policy and the face
55 page of such policy shall contain a clear and conspicuous disclosure
56 that the irrevocable trust may not be sufficient to cover all costs during
57 the chosen elimination periods."

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2007	38a-501(a) to (c)
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